2007-2008 Desk Reference for

EDExpress for Windows Release 1.0

Addendum

Higher Education Reconciliation Act of 2005

Overview

The Higher Education Reconciliation Act of 2005 (the HERA), Pub. L. 109-171, created two new Title IV grant programs—the Academic Competitiveness Grant (ACG) and the National Science and Mathematics Access to Retain Talent Grant (National SMART Grant). The HERA also extends Federal Direct PLUS Loan (Direct PLUS) eligibility to graduate and professional students.

In addition, the HERA changed the dependency status for active duty military personnel and increased some Direct Stafford Loan limits.

This addendum to the *2007-2008 EDExpress for Windows Release 1.0 Desk Reference* provides guidance on using existing and new Global, Application Processing, and Packaging features in EDExpress for Windows 2007-2008 to comply with the changes established in the HERA.

The following areas are covered in this addendum:

- Academic Competitiveness Grant (ACG)

- National Science and Mathematics Access to Retain Talent Grant (National SMART Grant)

- Direct PLUS Loan for Graduate and Professional Students (Grad PLUS)

- Other HERA Changes

If you have questions regarding the COD System, contact the COD School Relations Center at 800/4PGRANT (800/474-7268) for ACG, National SMART Grant, and Pell Grant or 800/848-0978 for Direct Loan. You can also e-mail CODSupport@acs-inc.com.

Academic Competitiveness Grant (ACG)

The Academic Competitiveness Grant (ACG) is a new grant program established by the HERA for full-time students at degree-granting institutions who completed a rigorous high school program of study and who are U.S. citizens, Federal Pell Grant recipients, and enrolled in the first or second year of their programs of study. Students can receive a maximum of $750 for their first year of study and $1,300 for their second.

Global

An ACG Data File containing student self-identification data entered on FAFSA on the Web or FAA Access to CPS Online is sent to institutions listed on the ISIR in an ED-initiated message class (ED2008OP). The information provided in the file is: Original SSN, Name ID, Name (Last, First, MI), Transaction Number, Date of Birth, ACG High School Graduation Date After 01/01/05?, High School State, High School Program, Advanced Placement (AP) or International Baccalaureate (IB) Courses, Rigorous High School Coursework Flag, and Federal School Code.

The ACG Data File can be imported and printed using the EDExpress software's Global ED-initiated Import function. You must define the message class (**Tools**, **Setup**, **Global**, **ED Initiated Imports**) before you can import the ACG Data File. The report is print-only, and the data is not stored in the EDExpress database.

Application Processing

The Central Processing System (CPS) uses the message class IGAA08OP to identify ISIRs resulting from students self-identifying their potential ACG eligibility if self-identification is the only change to their ISIRs.

Students who are potentially eligible for ACGs receive Comment Code 271 on their SARs informing them that follow-up information about ACG eligibility will come from their financial aid offices. A predefined query is included in EDExpress to find applications containing Comment Code 271. To view the full text associated with this comment code, see the *2007-2008 SAR Comment Codes and Text*, available at fsadownload.ed.gov.

Packaging

The EDExpress Packaging module can be used to award ACG funds to students. You must first define and save ACG as a grant fund (Aid Type = **G**) in Fund Maintenance setup. You can then award the fund manually to student records on the Awarded Funds dialog box, accessible from the Awards tab, or add the fund to existing Packaging records using the Packaging External Data–Add Fund Amounts import type.

To award your ACG funds to student records automatically using the Package/Repackage process, you must add the ACG funds you create (using aid type **G**) to an existing or new award methodology. You must assign queries and other criteria at both the Fund Maintenance and Award Methodology setup level for the funds in order to control who receives the funds and how much they are awarded.

- For example, you can create Yes/No fields in the User Database titled "ACG Eligibility Yr 1" (for College Years 0 and 1) and "ACG Eligibility Yr 2" (for College Year 2) and indicate "Yes" on the User Data tab for all your ACG-eligible students. You can then create a Packaging Query on your "ACG Eligibility Yr 1" or "ACG Eligibility Yr 2" fields to filter for all "Yes" responses, attach this query to your ACG funds in Fund Maintenance setup, and add the funds to an award methodology. You may also want to query on such elements as Grade Level in College or the Pell Eligibility flag.

- When adding your ACG funds to an existing or new award methodology, use the fund-level criteria (that is, School Min/Max, EFC Min/Max) to further control ACG awards and their amounts.

National Science and Mathematics Access to Retain Talent Grant (National SMART Grant)

The National Science and Mathematics Access to Retain Talent Grant (National SMART Grant) is a new grant program created by the HERA for full-time students at four-year degree-granting institutions who are Federal Pell Grant recipients and U.S. citizens. Students must be enrolled in their third or fourth years of one of the accepted fields of study in the areas of physical, life, or computer science; engineering; mathematics; technology; or a critical foreign language with a 3.0 or higher grade point average to be eligible. Students can receive a maximum of $4,000 for each of their third and fourth years of study.

Packaging

The EDExpress Packaging module can be used to award National SMART Grant funds to students. You must first define and save the National SMART Grant as a grant fund (Aid Type = **G**) in Fund Maintenance setup. You can then award the fund manually to student records on the Awarded Funds dialog box, accessible from the Awards tab, or add the fund to existing Packaging records using the Packaging External Data–Add Fund Amounts import type.

To award your National SMART Grant fund to student records automatically using the Package/Repackage process, you must add the National SMART Grant fund you create (using aid type **G**) to an existing or new award methodology. You must assign queries and other criteria in both Fund Maintenance and Award Methodology setup for the fund in order to control who receives the fund and how much they are awarded.

- For example, you can create a Yes/No field in the User Database titled "SMART Eligibility" and indicate "Yes" for all your National SMART Grant-eligible students. You can then create a Packaging query on your "SMART Eligibility" fields to filter for all "Yes" responses, attach this query to your National SMART Grant fund in Fund Maintenance setup, and add the fund to an award methodology. You may also want to query on such elements as Grade Level in College or the Pell Eligibility flag.

- When adding your National SMART Grant fund to an existing or new award methodology, use the fund-level criteria (that is, School Min/Max, EFC Min/Max) to further control National SMART Grant awards and their amounts.

Direct PLUS Loan for Graduate and Professional Students (Grad PLUS)

As a result of the HERA, graduate and professional students are now eligible to borrow under the Direct PLUS Loan (Direct PLUS) Program. The HERA Direct PLUS provision does not create a new loan program. Instead, it allows a new type of borrower—an eligible graduate or professional student—to borrow under the existing Direct PLUS Program. You can create and originate PLUS loans and graduate and professional student PLUS (Grad PLUS) loans using EDExpress 2007-2008.

Note: A Federal Direct PLUS loan for a graduate or professional student is referred to as a "Grad PLUS" loan in EDExpress 2007-2008.

Packaging

The EDExpress Packaging module can be used to award Grad PLUS loans to students. You must first define and save Grad PLUS as a Non-Need-Based Loan (Aid Type = **N**) in Fund Maintenance setup. You can then award the fund manually to student records in the Awarded Funds dialog box, accessible from the Awards tab, or add the fund to existing Packaging records using the Packaging External Data–Add Fund Amounts import type.

- For example, you can create a User Database field titled "Grad PLUS Eligibility," formatted as a Yes/No field, and complete this field accordingly for all of your Grad PLUS-eligible students. You can then create a Packaging Query on your "Grad PLUS Eligibility" field to filter for all "Yes" responses, and attach this query to your Grad PLUS fund in Fund Maintenance setup. You may also want to query on Grade Level in College.

- When adding your Grad PLUS loan to an existing or new award methodology, use the fund-level criteria (that is, School Min/Max, EFC Min/Max) to further control Grad PLUS awards and their amounts.

Other EDExpress HERA Changes

The HERA changed the dependency status for active duty military personnel, added data elements regarding means-tested federal benefit programs to identify applicants who meet the criteria for the simplified needs test or automatic zero EFC, and increased some Direct Stafford Loan limits.

Active Duty Military as Independent Students

Under the HERA, individuals who are currently serving on active duty in the U.S. Armed Forces for purposes other than training have been added to the list of individuals who are considered to be independent students.

New dependency status question 54 ("Student Currently Serving on Active Duty") helps determine if a student is independent based on this new criterion.

Additional Data Elements for Simplified Needs Test

Ten new data elements—questions 71-75 for parents and questions 92-96 for students—ask whether the applicant or anybody else in the household received benefits from any of five means-tested federal benefit programs in 2006. A parent/student who receives such a benefit and has an income at a certain level may qualify for the simplified needs test or an automatic zero EFC.

Direct Loan Limits

As a result of the HERA, some of the annual loan limits in the Direct Stafford Loan Program are increased. The increased loan limits resulting from the HERA are shown in bold below:

- **$3,500** for 1st year undergraduate base subsidized/unsubsidized loans; $4,000 for additional unsubsidized loans

- **$4,500** for 2nd year undergraduate base subsidized/unsubsidized loans; $4,000 for additional unsubsidized loans

- $5,500 for 3rd year and beyond undergraduate base subsidized/unsubsidized loans; $5,000 for additional unsubsidized loans

- $8,500 for graduate/professional base subsidized/unsubsidized loans; **$12,000** for additional unsubsidized loans

- $2,625 for preparatory coursework base subsidized/unsubsidized loans (for enrollment in an undergraduate program); $4,000 for additional unsubsidized loans

- $5,500 for preparatory coursework base subsidized/unsubsidized loans (for enrollment in a graduate or professional program); **$7,000** for additional unsubsidized loans

- $5,500 for teacher certification base subsidized/unsubsidized loans; **$7,000** additional unsubsidized loans

Note: The aggregate loan limits for subsidized and unsubsidized loans have not been increased. Also, the preparatory undergraduate coursework loan limits remain at $2,625 for base subsidized/unsubsidized loans and $4,000 in additional unsubsidized loans**.**

Note: The higher loan limits apply to loans first disbursed on or after July 1, 2007. The COD System will use the date of the earliest anticipated disbursement (DRI = False) if there are no actual disbursements (DRI = True) when determining the appropriate loan limits to apply. The COD System will use the earliest actual disbursement, if both actual and anticipated disbursements exist for a loan, when determining the appropriate loan limits to apply.

The Package/Repackage process has been modified to award all 2007-2008 subsidized (Aid Type **S**) and unsubsidized, non-need based (Aid Type **U**) loans, as well as unsubsidized, need-based (Aid Type **D**) loans at the higher loan limits established by the HERA. You can also increase subsidized and unsubsidized awards manually to the new limits on Packaging records at any time.

You can import subsidized and unsubsidized loan awards at the higher loan limits from the Packaging module into the Direct Loan module in order to create origination records. The higher loan award is used as the Loan Amount Approved on the loan record.

For additional details on loan limit increases related to the HERA, see Dear Colleague Letter GEN-06-02, posted to ifap.ed.gov on March 10, 2006.

Where to Get More Information

- Dear Partner/Colleague Letters related to the HERA on the Department of Education's (ED's) Information for Financial Aid Professionals (IFAP) Web site, located at ifap.ed.gov. Look for the link to HERA-related documents.

- The *2007-2008 Electronic Data Exchange (EDE) Technical Reference* and the *2007-2008 Common Origination and Disbursement (COD) Technical Reference*, available on ED's FSAdownload Web site, located at fsadownload.ed.gov.

- For technical support for EDExpress, call CPS/SAIG Technical Support at 800/330-5947 (TDD/TTY 800/511-5806), 7 a.m. to 7 p.m. CT, Monday through Friday, excluding federal holidays. Or e-mail inquiries to CPSSAIG@ed.gov. You will receive a response to your e-mail within one business day.

- For policy questions about the HERA, contact Federal Student Aid's Research and Customer Care Center (RCCC) at 800/433-7327 or by fax at 202/275-5532. You can also e-mail the RCCC at fsa.customer.support@ed.gov. Hours are 9 a.m. to 5 p.m. ET, Monday through Friday, excluding federal holidays